

Department of History, Arts and Libraries
Testimony to House Appropriations Sub-committee
February 23, 2006

Thank you chairperson Amos and Representatives Taub and Cheeks for the opportunity to speak with you about the Governor's proposed budget for Fiscal Year 07 and the work of the Department of History, Arts and Libraries.

Overall we are very pleased with the proposed 07 Budget, as this is first time in our department's history where we have been recommended for an increase and without the anticipation of a mid-year reduction.

There are several highpoints in the proposed budget:

1. The full funding of employee economics. Employees will receive a 3 percent cost of living increase and different than in the current budget, this would be funded.
2. Errors in our rent occupancy and information technology lines are corrected. Both represent badly needed relief in our operating liabilities.
3. Partial restoration of funding reductions that have occurred in library state aid and arts and cultural grants.

Continuing budget constraints have posed serious challenges in our ability to deliver the level of quality service we are committed to. For example:

1. We continue to operate with over 10% of our permanent staff position left unfilled.
2. The need to reduce operating expenses resulted in eliminating almost all of our student employees and consequently requiring tasks like re-shelving books to be done by our full-time, professionally trained staff.
3. Budget pressures also require the State Library to remain closed two mornings a week and the Law Library every morning, Monday through Friday.
4. Leaving permanent positions unfilled has forced the Michigan Historical Center to operate its field sites, primarily museums, with minimal staff.
5. Almost all of our computers are more than five years old and are out of warranty.
6. Important maintenance work has gone undone at historic structures and sites.

Regardless of the budget squeeze and its attendant challenges, I am proud of the major accomplishments of the Department of History, Arts and Libraries. I want to avoid getting deeply into the upcoming presentations of our five agency directors but will just share a quick list of significant achievements.

1. Permanent establishment of Thunder Bay National Marine Sanctuary and opening of the visitor center. This cultural and natural resource has become the centerpiece of the economic growth strategy of Alpena.
2. Enhancement of Michigan eLibrary (MeL) with a brand new look, user-friendlier search and retrieval features, and an ever-expanding stable of information resources.

3. Digitization for preservation and access grants to libraries. Grants to ten libraries to preserve, store and make these digitized images accessible via Michigan eLibrary.
4. In 2005, the Film Office estimates that Michigan's economy took in \$1.5 billion from commercial work within the state, and approximately \$5.5 million in film/TV documentary work, with \$3 million of that coming from "Crossover," a smaller film shot entirely in Detroit.
5. A number of very important restoration projects of historic properties within the Mackinac Island State Park: Old Mackinac Point Light Station, the Millwright's house at Historic Mill Creek and the Mission Church on the Island. The lighthouse alone attracts nearly 30,000 visitors a year.
6. During the current fiscal year, the Michigan Council for Arts and Cultural Affairs is providing critical seed money to launch a number of cultural economic development initiatives.
7. Expansion of the Iron Industry Museum at Negaunee. A great private/public funding partnership that beyond its cultural values generated a number of construction jobs.
8. Development and launch of the Image Repository for Michigan Agencies (IRMA). Developing this image repository allows Records Management Services to extend its repository services into the digital age.

Budget pressures have also meant we continually look for ways to save money, which is a good thing. Our plans for the Law Library is a strong example of changing our way of operating to achieve positive results and conserve scarce resources. The plans have been developed and funding approved to move the Law Library into the State Library and Michigan Historical Center Building in 07. This positive change will result in a reduction in rent occupancy charges, better utilization of staff and potentially restore operating hours.

In a larger sense, we are responding to Michigan's most significant challenge of transforming to the new economy, which places a premium on innovation and creative solutions and products. Our department and our sector is part of the solution. By thinking and acting strategically we intend to re-position resources to have a greater impact on growing and transforming Michigan's economy.

We are very pleased for the opportunity to meet with you on March 1 and provide a full explanation of the cultural economic development strategy for Michigan that we have developed.

William M. Anderson
Director